

FISCAL NOTE

SB 1765 - HB 1590

March 28, 2007

SUMMARY OF BILL: Extends past the age of 24, health insurance coverage for a dependent child of an insured if such child is under 30, does not have dependent children, and either legally resides with the parent or depends on the parent for support and maintenance.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Govt. Expenditures* – Exceeds \$100,000

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would result in an increase in the cost of health insurance premiums which exceeds \$100,000 for plans to extend coverage to individuals who would not currently be covered.

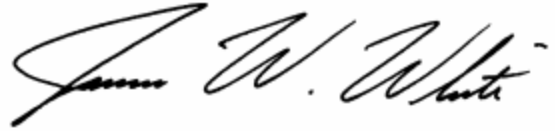
Assumptions:

- The Department of Commerce and Insurance will not incur a significant increase in state expenditures to enforce and administer the provisions of the bill. Any increase will be absorbed within the existing resources of the Department.
- The provisions of the bill do not apply to the State and Local Government Health Plans because they are self-insured and subject to federal preemption (ERISA).
- The local governments that do not participate in the state sponsored health plans could see an increase in expenditures for family plan premiums which is estimated to exceed \$100,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director